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LifeTech Scientific Corporation

先健科技公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1302)

SUBSIDIARY OBTAINED INDUSTRIAL HEMP PLANTING LICENSE AND PROCESSING PRE-LICENSE

This announcement is made by LifeTech Scientific Corporation (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis in accordance with the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of Directors of the Company (“**Board**”) is pleased to announce that, on 3 June 2019, Yunnan Masheng Health Science Co., Ltd.* (雲南麻省健康科學有限公司, the “**Yunnan Masheng**”), a holding subsidiary of Shenzhen Yunma Biotechnology Co., Ltd.* (深圳市雲麻生物科技有限公司, the “**Shenzhen Yunma**”), which is a joint venture established by the Group and Sorrento Therapeutics Inc. (NASDAQ: SRNE) (the “**Sorrento Therapeutics**”), has obtained the “Yunnan Industrial Hemp Planting License” (the “**Planting License**”) and the “Reply to the Application for Industrial Hemp Processing to Yunnan Masheng Health Science Co., Ltd.” (the “**Processing Pre-License**”), and has been permitted to commence the planting of industrial hemp and the establishment of an industrial hemp flowers and leaves extraction processing line (the “**Production Line**”).

This announcement is made by the Company on a voluntary basis in accordance with the Listing Rules. To the best knowledge, information and belief of the Board having made all reasonable enquiries, Sorrento Therapeutics is the third party independent of the Company and its connected persons pursuant to the Listing Rules.

Obtaining the Planting License and the Processing Pre-License

As at the date of this announcement, Lifetech Scientific (Shenzhen) Co., Ltd. (the “**Lifetech Shenzhen**”), a wholly-owned subsidiary of the Group, and Sorrento Therapeutics (Shanghai) Co., Ltd.* (索倫托藥業(上海)有限公司, the “**Sorrento Shanghai**”), a wholly-owned subsidiary of Sorrento Therapeutics, has jointly established Shenzhen Yunma. Shenzhen Yunma intends to engage in the research and development, production and regional commercialization in Asia of industrial hemp, CBD and water-soluble cannabinoid products (to the extent legally permissible). Lifetech Shenzhen and Sorrento Shanghai holds 60% and 40% of the equity interest in Shenzhen Yunma, respectively.

Yunnan Masheng is a subsidiary of Shenzhen Yunma, and the Group indirectly holds 55.2% of the equity interest in Yunnan Masheng through Shenzhen Yunma. As at the date of this announcement, Yunnan Masheng has obtained the Planting License and the Processing Pre-License, and has been permitted to commence the planting of industrial hemp and the establishment of the Production Line. The Group and Sorrento Therapeutics will continue their investments, facilitate the completion of the Production Line and subsequent approval procedures by the competent authorities as soon as practicable, in order to facilitate the timely issuance of the “Yunnan Industrial Hemp Processing License” (the “**Processing License**”) for the materialization of the Production Line, in order to carry out CBD extraction and processing business.

Yunnan Masheng shall commence the planting of industrial hemp and CBD extraction and processing business, and become the upstream base of the industrial hemp and cannabinoid complete industrial chain (including planting, processing, R&D and sales) business layout of the Group and Sorrento Therapeutics. For further details, please refer to the two other announcements issued by the Company dated 4 June 2019 headlined “Establishment of US Joint Venture and Entering into Cooperation Framework Agreement in relation to Water-Soluble Cannabinoid Products” and “Entering into Scientific Research Cooperation Framework Agreements in relation to the Development of CBD Medical Products”.

As all of the applicable percentage ratios in respect of the formation of Shenzhen Yunma and Yunnan Masheng are below 5%, the formation of Shenzhen Yunma and Yunnan Masheng does not constitute notifiable transactions of the Company under Chapter 14 of the Listing Rules.

Reasons and Benefits

The Group is a developer, manufacturer and marketer of advanced minimally invasive interventional medical devices for the treatment of cardiovascular and peripheral vascular diseases and disorders. Our sales network covers multiple locations worldwide, with distributors in countries and regions throughout Asia, Africa, North America, South America and Europe. In view of the medicinal value on anti-spasm, anti-anxiety and anti-inflammatory, cannabinoids has been proved in neurological diseases such as Alzheimer's disease (senile dementia), Parkinson's disease, epilepsy and tumors. The Company believes that as we continue to advance the Group's existing business steadily, the development of such business in industrial hemp and water-soluble cannabinoid products is in line with the Group's strategic positioning in the fields of cardiovascular, neurological diseases and tumor treatment, thus generating synergy for our existing business.

Yunnan Masheng is located in the Tangdian Industrial Park, the nearest industrial hemp planting base to Kunming, Yunnan Province. Its geographical location and physical environment are suitable for growing industrial hemp. Yunnan Masheng has successfully obtained the relevant licenses, which will assist the Group in outlining the complete industry chain for industrial hemp business layout, developing its own planting and CBD processing extraction upstream base and laying a foundation for the development of the downstream market, and at the same time saving upstream costs and increasing financial flexibility.

About Sorrento Therapeutics

Sorrento Therapeutics is a Nasdaq-listed company in the United States (stock code: SRNE), which is a clinical stage, antibody-centric, biopharmaceutical company developing new therapies to turn malignant cancers into manageable and possibly curable diseases. Sorrento Therapeutics' multimodal approach in fighting cancer is made possible by its extensive immuno-oncology platforms, including key assets such as fully human antibodies, clinical stage immuno-cellular therapies, intracellular targeting antibodies, antibody-drug conjugates, and clinical stage oncolytic virus.

Sorrento's commitment to life-enhancing therapies for cancer patients is also demonstrated by our effort to advance Resiniferatoxin ("**RTX**"), a first-in-class (TRPV1 agonist) non-opioid pain management small molecule, ZTlido and SP-102, a non-opioid corticosteroid gel. RTX is completing Phase 1B trials in terminal cancer patients and knee osteoarthritis patients, and its studies in osteoarthritis knee pain are scheduled to start in late 2019. ZTlido was approved by the Food and Drug Administration in the United States ("**US**") (the "**FDA**") on 28 February. The SP-102 is in Phase 3 pivotal study for the treatment of lumbar radicular pain/sciatica. For more information, please visit <http://sorrentotherapeutics.com/>.

Risks Warning

Despite the current upward market trend of industrial hemp worldwide, if the international macroeconomic situation fluctuates greatly, or the international market imposes more restrictions on policies applicable to industrial hemp and CBD than expected, it may adversely affect the operation of the Group's industrial hemp project.

China has strict regulations on the planting, processing and sales of industrial hemp, which requires administrative approval. Although Yunnan Masheng has been approved to lawfully plant industrial hemp and establish Production Line, should any future national policy restrict or prohibit industrial hemp planting and processing, it may create great uncertainties to the construction of the Group's industrial hemp project as well as the operation performances after production.

Although Yunnan Masheng has obtained the Processing Pre-License, it still needs to acquire the Processing License. There remains the risk of failure to acquire the Processing License during the establishment of the Production Line due to changes in national policies or failure to pass the relevant assessments of government departments.

The Company shall comply with all applicable requirements of the Listing Rules and make further announcements as and when appropriate. **Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.**

By order of the Board
LifeTech Scientific Corporation
XIE Yuehui
*Chairman, Chief Executive Officer and
Executive Director*

Hong Kong, 4 June 2019

As at the date of this announcement, the Board comprises Mr. XIE Yuehui and Mr. LIU Jianxiong being executive Directors of the Company; Mr. JIANG Feng being non-executive Director of the Company; and Mr. LIANG Hsien Tse Joseph, Mr. WANG Wansong and Mr. ZHOU Luming being independent non-executive Directors of the Company.

* *for identification only*